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FISCAL IMPACT STATEMENT

LS 6670

BILL NUMBER: HB 1056

NOTE PREPARED: Jan 26, 2012

BILL AMENDED: Jan 17, 2012

SUBJECT: Novelty Lighters.

FIRST AUTHOR: Rep. Frye R

FIRST SPONSOR: Sen. Eckerty

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Class C Infraction*- The bill makes the retail sale or distribution of a novelty lighter a Class C infraction.

Enforcement- The bill provides that the State Fire Marshal or a designated law enforcement officer may enforce novelty lighter laws.

Adoption of Rules- The bill authorizes the Fire Prevention and Building Safety Commission (FPBSC) to adopt rules to implement the novelty lighter law.

Effective Date: July 1, 2012.

Explanation of State Expenditures: (Revised) *Enforcement*- The Fire Marshal's office would have the option to enforce the bill's provisions. Any impact to state expenditures would depend on the rules adopted by the FPBSC and future Fire Marshal action.

Adoption of Rules- The bill authorizes the FPBSC to adopt rules to implement novelty lighter laws. The Department of Homeland Security (DHS) provides staff for the Commission. Rules adoption is within the DHS's routine administrative functions and should be able to be implemented within their existing level of resources.

Background Information- The U.S. Census Bureau's Economic Census of 2007 indicates that there were 608

gift, novelty, or souvenir-type stores in Indiana during 2007. During the same period there were 51 miscellaneous durable good warehouse-type facilities in Indiana. The Census Bureau's 2009 county business patterns report listed 522 gift, novelty, or souvenir-type stores in Indiana.

Explanation of State Revenues: (Revised) *Class C Infraction*- Violation of the bill's provisions regarding selling or distribution of novelty lighters in Indiana would be a Class C infraction. The maximum judgment for a Class C infraction is \$500. Infraction fines from judgments are deposited into the state General Fund. The amount of revenue generated from infraction fines is unknown, but likely to be small.

Explanation of Local Expenditures: (Revised) *Enforcement*- Local law enforcement or code officials would have the option to enforce the bill's provisions. Any impact to local expenditures would depend on future local action.

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: State Fire Marshal, Department of Homeland Security.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Mara Synder, Legislative Liaison, Department of Homeland Security; U.S. Bureau of Census.

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